

**KEEGAN WERLIN LLP**

ATTORNEYS AT LAW  
265 FRANKLIN STREET  
BOSTON, MASSACHUSETTS 02110-3113

(617) 951-1400

TELECOPIERS:  
(617) 951-1354  
(617) 951-0586

February 13, 2006

Mary L. Cottrell, Secretary  
Department of Telecommunications and Energy  
One South Station  
Boston, MA 02110

Re: D.T.E. 03-118, Cambridge Electric Light Company and Commonwealth  
Electric Company – 2003 Reconciliation Filing

D.T.E. 04-114, Cambridge Electric Light Company and Commonwealth  
Electric Company — 2004 Reconciliation Filing

Dear Secretary Cottrell:

Cambridge Electric Light Company and Commonwealth Electric Company (the “Companies”) are pleased to inform the Department of Telecommunications and Energy (the “Department”) that they have reached an agreement in principle with the Attorney General and The Energy Consortium in the above-referenced matters. The agreement in principle is now being memorialized and will be filed as a Second Settlement Agreement, with the intent that it will resolve all issues that were reserved by paragraph 3.2 of the initial Settlement Agreement in these proceedings, which was approved by the Department on October 19, 2005. Paragraph 3.2 reserved “the issue of the reconciliation of transmission costs and revenues, except for issues relating to Mirant Kendall ...”. That issue was to be the subject of an evidentiary hearing, scheduled to be conducted on February 15, 2006.

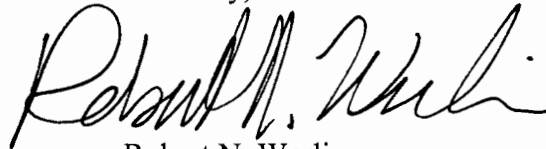
In view of the agreement in principle, that hearing is no longer necessary, and the Companies request that the hearing date be cancelled, pending the filing of the Second Settlement Agreement. Final language is currently under review, and it anticipated that the Second Settlement Agreement will be submitted to the Department no later than February 24, 2006.

The Companies are authorized to represent that the Attorney General and The Energy Consortium assent to the representations contained in the letter.

Letter to Secretary Cottrell  
D.T.E. 03-118/D.T.E. 04-114  
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Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert N. Werlin". The signature is fluid and cursive, with the first name "Robert" being more prominent and the last name "Werlin" following in a similar style.

Robert N. Werlin

cc: Shaela McNulty Collins, Hearing Officer  
Service Lists, D.T.E. 03-118/D.T.E. 04-114